

**AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE LEGACY BEND REDEVELOPMENT AREA OF
THE CITY OF NORFOLK, NEBRASKA**

(PHASE IV OF LEGACY BEND REDEVELOPMENT PROJECT)

A. Introduction

This Amendment to the Redevelopment Plan for the Legacy Bend Redevelopment Area of the City of Norfolk, Nebraska ("Amendment") is a guide for redevelopment activities undertaken in the Legacy Bend Redevelopment Area to remove or eliminate blight and substandard conditions within the City of Norfolk, Nebraska (the "City").

On January 16, 2018, the City approved and adopted the Redevelopment Plan for the Legacy Bend Redevelopment Area of the City of Norfolk, Nebraska ("Redevelopment Plan"). The Redevelopment Plan set forth the first phase of the Project ("Phase I"). The Redevelopment Plan provided that Redeveloper would detail subsequent phases via amendments to the Redevelopment Plan. On October 15, 2018, an amendment to the Redevelopment Plan was approved for the second phase of the Project ("Phase II"). On July 19, 2021, an amendment to the Redevelopment Plan was approved for the third phase of the Project ("Phase III"). As used hereafter, the term "Redevelopment Plan" shall include the initially-approved Redevelopment Plan, as well as the amendments thereto for Phase I, Phase II, and Phase III. This Amendment further amends the Redevelopment Plan for the purpose of establishing the fourth phase of the Project ("Phase IV"). Any capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Redevelopment Plan. This Amendment incorporates the terms of the Redevelopment Plan as if they were included herein; provided, however, that if the terms of this Amendment conflict with the Redevelopment Plan, this Amendment shall control.

This Amendment has been established in accordance with the requirements of the Nebraska Community Development Law, **Neb. Rev. Stat.** §§ 18- 2101 through 18-2155, as amended (the "Act"), the Redevelopment Plan and the Comprehensive Plan of the City.

A. Incorporation of Redevelopment Plan and Exhibits

As provided above, this Amendment incorporates the Redevelopment Plan. However, the improvements for Phase IV have changed due to shifting market demands and construction schedules. As such, with respect to Phase IV only, this Amendment amends and replaces the

"Future Land Use Narrative" for Phase IV under Exhibit "C" of the Redevelopment Plan as follows:

"Phase IV" – Phase IV will consist of approximately 68 multifamily and townhome dwelling units that will require roughly \$1,945,500 in infrastructure and other eligible costs. Redeveloper estimates the post-redevelopment valuation for Phase IV at \$6,499,000 with an expected completion date in 2023.

B. Phase IV Project Site

Exhibit "1", attached hereto and incorporated herein, sets forth the revised boundaries for Phase IV (the "Phase IV Project Site"). Phase IV encompasses lots that Redeveloper intends to develop as multi-family units and townhomes.

The Phase IV Project Site is in need of redevelopment. The Community Development Agency for the City ("CDA") has considered whether redevelopment of the Phase IV Project Site will conform to the General Redevelopment Plan set forth in Article I of the Redevelopment Plan, and the coordinated, adjusted, and harmonious development of the City and its environs. The CDA finds that such redevelopment of the Phase IV Project Site will promote the health, safety, morals, order, convenience, prosperity, and the general welfare of the community including, among other things, the promotion of safety from fire, the promotion of the healthful and convenient distribution of population, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of unsanitary and unsafe dwelling accommodations or conditions of blight.

The Phase IV Project Site generally consists of vacant, undeveloped land located in the Legacy Bend Redevelopment Area. The blighted condition of the Phase IV Project Site and the lack of adequate utilities and infrastructure to serve the Phase IV Project Site contribute to its inability to attract development. The Location of the Phase IV Project Site is attractive for multiple dwelling units. However, the initial upfront costs associated with necessary infrastructure, in combination with rising inflation and material costs, makes development of the Phase IV Project Site not feasible without the assistance of tax-increment financing ("TIF"). As such, Redeveloper would not undertake construction of Phase IV without the assistance of TIF. Redevelopment of the Phase IV Project Site pursuant to this Amendment will include eligible expenditures under the Act and will further the purposes of the Act in conformance with the Redevelopment Plan.

C. Description and Implementation of Phase IV

Redeveloper intends to redevelop the Phase IV Project Site into residential uses consisting of approximately 68 multifamily and townhome dwelling units, as depicted on the preliminary site plan for the Project attached hereto and incorporated herein as Exhibit "2".

As reflected on the site plan, Redeveloper intends to subdivide the Phase IV Project Site. Phase IV will consist of approximately 68 multifamily and townhome dwelling units. Redeveloper will construct the Phase IV improvements in sub-phases based upon the rate of construction, such that the "effective date" (as provided under section 18-2147 of the Act) for purposes of TIF will be determined on a lot by lot basis in order to maximize the TIF proceeds available to help finance the public improvements. Redeveloper anticipates two sub-phases within Phase IV; however, because the market will determine the actual completion schedule for each sub-phase, Phase IV requires flexibility and may have more or less sub-phases.

Subsequent to the approval of this Amendment, Redeveloper and the CDA will enter into a redevelopment contract (as defined in the Act) with respect to Phase IV of the Project. Upon the completion of each sub-phase thereof, Redeveloper shall be responsible for providing written notice to the CDA establishing such sub-phase. Each such notice shall set forth the "effective date" for the pertinent sub-phase and must be submitted to the CDA on or before June 30 of the year in which taxes are to be divided for such sub-phase.

Redeveloper will pay the costs of the private improvements for Phase IV, including the construction of the residential buildings and associated improvements. Redeveloper will incur the costs for public infrastructure for the Phase IV (multi-family and townhome units) including, but not limited to: paving, sanitary sewer, storm sewer, water, electrical, traffic controls, landscaping of public areas, and street furniture. Redeveloper will capture available TIF revenues generated by the redevelopment of the Phase IV Project Site to assist in paying for eligible improvements, fees, land acquisition and other expenses that are listed in the chart included under Exhibit "3", attached hereto and incorporated herein, as well as such other eligible expenditures under the Act. The public infrastructure improvements for Phase IV will meet the increased need for public infrastructure and utilities resulting from Phase IV.

The redevelopment of the Phase IV Project Site pursuant to this Amendment will eliminate the blight and substandard conditions on the Phase IV Project Site and will further the purposes of the Act in conformity with the Redevelopment Plan and Comprehensive Plan of the City.

Phase IV is not feasible without the use of TIF to assist with the costs of the public improvements. Due to the scope of the Phase IV and the costs of the public improvements related thereto, it is expressly acknowledged that the Redeveloper would not undertake Phase IV without the anticipated use of TIF for subsequent phases of the Project. As such, Redeveloper may apply the TIF proceeds generated from each phase of the Project toward the payment of the eligible expenses of the entire Project, as necessary, and provided there is no duplication of costs between phases.

C. Subsequent Phases

Subsequent phases of the Project constituting a substantial modification of the Redevelopment Plan (as provided in the Act) will require further amendment to the Redevelopment Plan. Each phase of the Project will be governed by a separate redevelopment contract between the Redeveloper and the CDA which will describe the private improvements and the public improvements to be constructed in each phase.

D. Cost-Benefit Analysis

As set forth in the Redevelopment Plan, Redeveloper and the CDA contemplate the use of TIF to assist with the cost of eligible improvements for Phase IV of the Project. Accordingly, a statutory cost-benefit analysis is attached hereto and incorporated herein as Exhibit "3".

E. Statutory Elements

A consideration of the statutory elements under the Act related to Phase IV is attached hereto and incorporated herein as Exhibit "4".

Exhibits:

Exhibit "1" – Phase IV Project Site

Exhibit "2" – Phase IV Site Plan

Exhibit "3" – Phase IV Cost-Benefit Analysis

Exhibit "4" – Phase IV Statutory Elements

Exhibit "1"
Phase IV Project Site

Legal Description for Phase IV Project Site:

A TRACT OF LAND LOCATED IN PARTS OF SOUTHWEST QUARTER OF THE NORTHEAST QUARTER (SW 1/4 NE 1/4) OF SECTION TWENTY-THREE (23), TOWNSHIP TWENTY-FOUR (24) NORTH, RANGE ONE (1 WEST OF THE 6TH P.M., IN MADISON COUNTY, NEBRASKA DESCRIBED AS FOLLOWS:

BEGINNING AT A WESTERLY CORNER OF LOT 3, LEGACY BEND 6TH/ ADDITION TO THE CITY OF NORFOLK SAID POINT ALSO BEING ON THE EAST LINE OF THE FLOOD CONTROL CHANNEL THENCE N43°41'07"W ALONG THE EAST LINE OF SAID FLOOD CONTROL CHANNEL, A DISTANCE OF 579.56 FEET, THENCE N41°40'18"E A DISTANCE OF 229.76 FEET; THENCE N88°18'34"E A DISTANCE OF 169.84 FEET; THENCE N68°05'03"E A DISTANCE OF 309.39 FEET TO THE SOUTHWEST CORNER OF THE RIGHT-OF-WAY FOR MCINTOSH ROAD IN MEADOW RIDGE PHASE 2, FIRST ADDITION; THENCE N87°29'11"E ALONG THE SOUTH RIGHT-OF-WAY OF MCINTOSH ROAD, A DISTANCE OF 60.00 FEET TO THE SOUTHWEST CORNER OF LOT 1A, BLOCK 4 IN SAID MEADOW RIDGE PHASE 2, FIRST ADDITION ; THENCE S02°29'10"E A DISTANCE OF 214.89 FEET TO A POINT OF CURVATURE; THENCE AROUND A CURVE IN A CLOCKWISE DIRECTION HAVING A DELTA ANGLE OF 49°59'28", A RADIUS OF 180.23 FEET, A CHORD BEARING OF S21°18'10"W WITH A CHORD DISTANCE OF 152.31 FEET, AN ARC LENGTH OF 157.25 FEET; THENCE S46°18'30"W A DISTANCE OF 53.16 FEET; THENCE S43°41'07"E A DISTANCE OF 104.20 FEET TO THE NORTH CORNER OF LEGACY BEND SIXTH ADDITION SAID POINT ALSO BEING ON THE NORTHEASTERLY RIGHT OF WAY LINE OF LEGACY DRIVE; THENCE S46°18'56"W ALONG THE NORTHWEST LINE OF SAID LEGACY BEND SIXTH ADDITION, A DISTANCE OF 355.00 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS 6.51 ACRES MORE OR LESS.

* Subsequent to the approval of this Amendment, Redeveloper intends to subdivide the Phase IV Project Site as shown on Exhibit "2". Subsequent to said subdivision, the above legal description shall be replaced with the legal description provided in the replat of the Phase IV Project Site approved by the City. Such replatting may occur by sub-phase.

Phase IV Site Plan and Future Land Use



* The above site plan is preliminary in nature and subject to change.

Exhibit "3"
Cost-Benefit Analysis for Phase IV

Section 18-2113 of the Act requires the CDA conduct a cost-benefit analysis for each redevelopment project for which TIF will be used. This analysis addresses the following statutory issues pertaining to Phase IV of the Project:

Phase IV Sources and Uses. Approximately \$1,330,156 in public funds from tax increment financing provided by the CDA will be required to complete Phase IV. This investment by the CDA will leverage \$9,765,880 in private sector financing; a private investment of approximately \$7.34 for every TIF dollar.

Use of Funds			
Description	TIF Funds	Private Funds	Total
Site Acquisition	\$0	\$100,000	\$100,000
Site Preparation	\$385,156	\$844	\$386,000
Water & Sewer	\$401,000	\$0	\$401,000
Street and Sidewalk	\$334,000	\$0	\$334,000
Traffic Controls	\$150,000	\$0	\$150,000
Electrical Infrastructure	\$50,000	\$0	\$50,000
Landscaping for Public Areas	\$0	\$100,000	\$100,000
Building Costs of Private Improvements	\$0	\$9,150,536	\$9,150,536
Architecture, Engineering, and Oversight	\$0	\$414,500	\$414,500
City Legal Fees	\$10,000	\$0	\$10,000
TOTALS	\$1,330,156	\$9,765,880	\$11,096,036

Tax Revenue. The Phase IV Project Site is anticipated to have a January 1, 2023, valuation of approximately \$27,796. Based on the 2021 levy this would result in collectible real property tax of approximately \$544. It is anticipated that the assessed value will increase by \$6,471,204 upon full completion of Phase IV. This redevelopment will result in an estimated increase in collectible property taxes of approximately \$125,416 annually. The tax increment

gained from Phase IV would not be available for use as City general tax revenues for the lesser of 15 years from the effective date (as defined in the Act) for each sub-phase, or the time as may be required to amortize the TIF bond, but would be used for eligible redevelopment costs to enable Phase IV to be realized.

Estimated 2023 assessed value:	\$27,796
Estimated value after completion:	\$6,499,000
Increment value:	\$6,471,204
Annual TIF generated (estimated):	\$125,416
TIF bond issue:	Not to exceed \$1,330,156 at 4.5%

** The projected tax increment is based on assumed values and levy rates; actual amounts and rates will vary from those assumptions, and it is understood that the actual tax may vary materially from the projected amount. The levy rate is assumed to be the 2021 levy rate. There has been no accounting for incremental growth over the 15 year TIF period.*

(a) Tax shifts resulting from the approval of the use of Tax Increment Financing;

The Phase IV Project Site currently has an estimated valuation of \$27,796. The proposed redevelopment will create additional valuation of \$6,471,204. As such, redevelopment of the Phase IV Project Site will create additional valuation that will support taxing entities long after the taxes are divided. No tax shifts are anticipated from the project.

Additionally, Phase IV will require considerable purchases of construction materials, resulting in sales taxes collected by the City, and the occupants of the new residential dwellings will require and pay for city services.

(b) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of Phase IV;

No additional public service needs have been identified other than the public infrastructure constructed to serve the Phase IV Project Site. Existing water and waste water facilities will not be negatively impacted by this development. The electric utility has sufficient capacity to support the development. Fire and police protection are available and should not be negatively impacted by this development.

(c) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of Phase IV;

Phase IV will have minimal impact on employers or employees within the Phase IV Project Site. However, the development will increase housing availability in the northeast portion of the City and may positively impact recruitment of employees for businesses in the area.

(d) Impacts on other employers and employees within the city or village and the immediate area that are located outside of the boundaries of the area of Phase IV:

Phase IV should have a positive impact on employees and employers outside the boundaries of the Phase IV Project Site by helping alleviate the existing housing shortage to provide housing for current and future employees of employers within the City and the immediate area.

(e) Impacts on student populations of school districts within the City:

The addition of school age children as a result of this redevelopment project will have an impact on the Norfolk School District. Assuming each dwelling will result in 2.35 persons and there is a traditional family in each dwelling, a student population increase of .35 children per dwelling is possible. Single parents with multiple school age children will skew this number higher. The district will not receive taxes from the apartments and townhomes built during the time the increased taxes are utilized to pay the TIF bond. The district has received state aid to education in the past. Part of the school aid formula involves assessed valuation in the district. The valuation that generates the TIF bond payments is not included in the formula and does not count against the state aid that the district would receive. After the TIF bond is paid, or at the end of the respective 15 years of division of taxes, whichever is sooner, the increased valuation from the residential construction will be available to all taxing entities.

(f) Any other impacts determined by the CDA to be relevant to the consideration of costs and benefits arising from Phase IV.

Phase IV consists of a housing project in the northeast portion of the City. It should encourage the development of additional retail in close proximity to the development and will be the catalyst for future phases.

(g) Assessment districts and Infrastructure.

Not applicable.

(h) But-For Determination

With a total estimated build cost of \$11,096,036, Phase IV would not be feasible except for the availability of TIF in the amount not to exceed \$1,330,156, at a 4.5% rate of interest , which is necessary to offset the base cost of infrastructure and other costs that occur early in the Project but cannot be recovered for many years. Additionally, soaring construction costs and inflation make Phase IV economically inviable without the assistance of TIF.

Exhibit "4"
Phase IV Statutory Elements

Property Acquisition, Demolition and Disposal

No public acquisition of private property or relocation of families or businesses is necessary to accomplish Phase IV.

Population Density

Phase IV will increase population density in the area. However, the City desires an increase in population density in the area to provide additional housing in the City. Phase IV will be properly platted to accommodate the increase in population density and adequate public infrastructure improvements to accommodate any increase in population density anticipated as part of Phase IV.

Land Coverage

The Phase IV Project Site is currently vacant and undeveloped. Post redevelopment, the Phase IV Project Site will consist of approximately 68 multifamily and townhome dwelling units. Phase IV will comply with all applicable land coverage ratios required by the City.

Traffic Flow, Street Layouts and Street Grades

The CDA and Redeveloper anticipate that Phase IV will increase traffic to and from the Phase IV Project Site as a result of additional traffic from residents traveling to and from the apartments and residences.

As part of Phase IV, Redeveloper will construct internal roadways to address the increase in traffic and the accessibility of the private improvements. The CDA and Redeveloper do not anticipate that Phase IV requires modification of existing public rights-of-way. The improvements for Phase IV will address any traffic and street infrastructure concerns that would otherwise be created by Phase IV. All streets and other public infrastructure constructed will be subject to review and approval by the City's engineer.

Parking

Phase IV will include parking facilities that will meet or exceed the parking requirements set forth in the applicable zoning district for the multi-family units. The design and development of Phase IV should increase the efficiencies and beneficial traffic flow of the parking for all the uses located within the Phase IV Project Site.

Zoning, Building Code and Ordinances

The Phase IV Project Site is currently zoned for multi-family residential use. As part of Phase IV, Redeveloper will overlay a Planned Development on the Phase IV Project Site in accordance with the same “planned development” zoning designation used for the prior phases of the Project. In addition thereto, Redeveloper shall comply with all applicable zoning, building code, and ordinance requirements, and shall be responsible for any changes thereto required for the construction of Phase IV.